

Message Text

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PAGE 01 STATE 078290
ORIGIN NODS-00

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APPROVED BY: D- MR CHRISTOPHER

S/S- MR SEBASTIAN

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FM SECSTATE WASHDC

TO AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRASILIA IMMEDIATE

INFO WHITE HOUSE IMMEDIATE

S E C R E T STATE 078290

NODIS

-STADIS////////////////////

C O R R E C T E D COPY (CAPTION OMITTED)

E.O. 11652:XGDS-1,3

TAGS:PFOR, PARM, GW, BR

SUBJECT: BRAZIL FRG NUCLEAR AGREEMENT

FOR THE AMBASSADOR FROM THE DEP SECRETARY

1. THE QUICKEST WAY TO KEEP YOU UP TO SPEED IS TO
SHARE WITH YOU THE TEXT OF A MEMORANDUM I HAVE SENT TO
THE SECRETARY FOLLOWING MY MEETING WITH BRAZILIAN FINANCE
MINISTER SIMONSEN YESTERDAY.

2. BEGIN TEXT: I HAD A NON-MEETING TODAY WITH THE
BRAZILIAN MINISTER OF FINANCE, MARIO SIMONSEN, AT THE
TREASURY DEPARTMENT FOLLOWING HIS LUNCH WITH SECRETARY
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BLUMENTHAL. AMBASSADOR PINHEIRO WAS ALSO PRESENT.

3. SIMONSEN OPENED THE CONVERSATION BY STATING THAT
PRESIDENT CARTER'S LETTER TO PRESIDENT GEISEL WAS MUCH
APPRECIATED AND HELPFUL IN CONNECTION WITH OUR IMPROVING
RELATIONS. SIMONSEN CALLED ATTENTION TO THE PASSAGE IN
PRESIDENT GEISEL'S RECENT SPEECH RELATING TO THE UNITED

STATES. I SAID THAT WE HAD NOTED THOSE REMARKS WITH APPRECIATION.

4. SIMONSEN INDICATED THAT HE HAD TALKED WITH PRESIDENT GEISEL REGARDING NON-PROLIFERATION AND GEISEL HAD STRESSED THAT BRAZIL HAD NO INTEREST IN PRODUCING NUCLEAR WEAPONS. AT ANOTHER POINT IN THE CONVERSATION HE SAID IN RESPONSE TO A QUESTION THAT PRESIDENT GEISEL INDICATED THAT BRAZIL MIGHT BE PREPARED TO SIGN A MODIFIED NPT BUT THAT HE HAD NOT DISCUSSED IN DETAIL THE NECESSARY MODIFICATIONS.

5. SIMONSEN SAID THAT BRAZIL HAD OF COURSE SIGNED THE TREATY OF TLAHELLOCO, BUT IT WAS QUITE UNDERSTANDABLE THAT BRAZIL WAS NOT PREPARED TO HAVE THE TREATY COME INTO FORCE UNTIL THE OTHER SIGNATORIES WERE READY TO DO SO. HE STRESSED, NEVERTHELESS, THAT BOTH TLAHELLOCO AND THE NPT WERE SUBJECTS WHICH COULD BE DISCUSSED OPENLY IN THE SPIRIT OF OUR COMMON INTEREST IN AVOIDING THE SPREAD OF NUCLEAR WEAPONS.

6. REFERRING TO MY DISCUSSIONS IN BRAZIL, SIMONSEN COMMENTED THAT HE FELT THAT THE MEETINGS HAD BEEN TOO BRIEF. I AGREED, INDICATING THAT WE HAD PUT FORWARD A NUMBER OF PROPOSALS BUT HAD NOT BEEN ABLE TO ENGAGE OUR OPPOSITE NUMBERS IN A USEFUL DIALOGUE, AND HAD NOT RECEIVED COUNTER-PROPOSALS. SIMONSEN PICKED-UP THIS POINT, IMPLYING THAT COUNTER-PROPOSALS MIGHT HAVE MOVED THE DISCUSSIONS ALONG.

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7. SIMONSEN ASKED WHAT PROPOSALS WE HAD PUT FORWARD. WHEN I BEGAN TO LIST THEM BY REFERRING TO THE POSSIBILITY OF AN ASSURED FUEL SUPPLY, SIMONSEN INTERPOSED TO SAY THAT HE WAS NOT TECHNICALLY EQUIPPED TO DISCUSS THE PROPOSALS, BUT THAT ASSURED FUEL SUPPLY STANDING ALONE WOULD NOT BE ADEQUATE. BRAZIL FELT IT WAS ESSENTIAL TO HAVE ACCESS TO THE TECHNOLOGY INVOLVED IN ITS AGREEMENTS WITH GERMANY. HE INDICATED THAT THIS WAS A MATTER OF NATIONAL PRIDE, AND A NEED OF THEIR SCIENTIFIC COMMUNITY. HE SAID, ONLY HALF JOKINGLY, THAT WITHOUT THE ACCESS TO THE TECHNOLOGY, HALF OF THE ADVANCED PHYSICS COURSES IN BRAZIL WOULD HAVE TO SHUT DOWN. I EXPLAINED THAT WE WERE QUITE PREPARED TO DISCUSS ALTERNATIVES BEYOND THE LIST THAT WE HAD PRESENTED AND WE WERE ANXIOUS TO FIND A HARMONIOUS SOLUTION TO A PROBLEM WHICH WAS DIFFICULT FOR ALL CONCERNED.

8. I TOLD SIMONSEN THAT PRESIDENT CARTER WOULD BE MAKING A STATEMENT ON NON-PROLIFERATION TOMORROW AND

URGED THAT IT BE STUDIED BY THE BRAZILIANS. I SAID THE STATEMENT WOULD REFLECT OUR INCREASING SKEPTICISM ABOUT THE SEPARATION OF PLUTONIUM. HE SAID THAT HE WAS AWARE OF OUR VIEW, BUT THAT THE BRAZILIANS THOUGHT REPROCESSING WAS COMMERCIALY ESSENTIAL. I RESPONDED THAT WE HAD FOUND IT COMMERCIALY DIFFICULT AS WELL AS UNNECESSARILY DANGEROUS, BUT WENT ON TO SAY THAT THIS WAS PRECISELY

THE KIND OF SUBJECT THAT MIGHT BE EXPLORED BETWEEN AND AMONG TECHNICAL EXPERTS. HE QUICKLY AGREED.

9. SIMONSEN SUGGESTED THAT IT WOULD BE USEFUL TO HAVE REPRESENTATIVES OF THE UNITED STATES AND BRAZIL, ACCOMPANIED BY TECHNICAL EXPERTS, GET TOGETHER FOR SEVERAL DAYS OF DISCUSSION REGARDING THESE PROBLEMS IN CIRCUMSTANCES THAT WOULD AVOID PUBLICITY OR PRESS ATTENTION. AGREEING, I SAID I THOUGHT IT WOULD ALSO BE

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DESIRABLE NOT TO BUILD EXPECTATIONS CONCERNING THE OUTCOME OF THE MEETING. I SAID THAT WE WOULD BE GLAD TO COOPERATE ON ANY PROCEDURES THAT THEY MIGHT FIND DESIRABLE. HE SAID IT MIGHT BE USEFUL TO HAVE THE MEETINGS IN SOME COUNTRY OTHER THAN BRAZIL OR THE UNITED STATES. PERHAPS, HE SAID HALF-SERIOUSLY, WE SHOULD MEET IN FLORENCE. I TOLD HIM WE WOULD CONSIDER WHATEVER THEY HAD TO SUGGEST.

10. SIMONSEN SAID THAT HE WOULD BE TALKING TO THE PRESIDENT ON FRIDAY AND WOULD CONVEY MY REACTION THAT IT WOULD BE USEFUL TO HAVE FURTHER MEETINGS OF A QUIET NATURE TO FIND A COMMON SOLUTION TO THE PROBLEM. AS WE ENDED THE DISCUSSION, HE EMPHASIZED HIS PERSONAL CONCERN ABOUT THE PROLIFERATION OF NUCLEAR WEAPONS AND THE IMPORTANCE HE PLACED ON INCREASING THE SAFEGUARDS AND CONTROL OF NUCLEAR EXPLOSIVE MATERIALS.

11. WE AGREED THAT THERE WOULD BE NO PUBLIC REFERENCE TO OUR NON-MEETING. END TEXT.

12. FYI: I ASSUME THAT SIMONSEN HAD NO KNOWLEDGE OF THE GERMAN LICENCING DECISION AT THE TIME WE MET. END FYI

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To: BONN BRASILIA MULTIPLE
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